S. HRG. 100-252

NOMINATION OF JOHN K. MEAGHER

HEARING

BEFORE THE

COMMITTEE ON FINANCE
UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

FIRST SESSION

ON

NOMINATION OF

JOHN K. MEAGHER TO BE DEPUTY UNDER SECRETARY OF THE TREASURY (LEGISLATIVE AFFAIRS)

SEPTEMBER 25, 1987

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CONTENTS

Administration Witness

	Page
Meagher, Hon. John K., Deputy Under Secretary of the Treasury (Legislative Affairs)	6

Additional Information

Committee press release	1
Biography of John K. Meagher	2
Letter from the Office of Government Ethics	5

NOMINATION OF JOHN K. MEAGHER TO BE DEPUTY UNDER SECRETARY OF THE TREASURY (LEGISLATIVE AFFAIRS)

FRIDAY, SEPTEMBER 25, 1987

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC.

The hearing was convened, pursuant to notice, at 10:05 a.m. in room SD-215, Dirksen Senate Office Building, the Honorable Lloyd Bentsen (chairman) presiding.

Present: Senators Bentsen and Packwood.

[The press release announcing the hearing, the prepared biographical data of John Kirby Meagher, and a letter from the Office of Government Ethics follows:]

[Press Release No. H-60]

COMMITTEE ON FINANCE ANNOUNCES HEARING TO REVIEW NOMINATION OF JOHN K. MEAGHER

WASHINGTON, DC.—Senator Lloyd Bentsen (D., Tex.), Chairman, announced Friday that the full Committee will hold a hearing to review the nomination of John K. Meagher to be Deputy Under Secretary of the Treasury (Legislative Affairs).

The hearing will be held on Friday, September 25, 1987, at 10 a.m. in room SD-215 of the Dirksen Senate Office Building.

RESPONSE TO INFORMATION REQUESTED
by
SENATE FINANCE COMMITTEE

August 10, 1987

The following is submitted as per your outline:

A. Biographical

1. John Kirby Meagher

2. (H) 610 South Columbus Street
Alexandria, Virginia 22314

(O) The LTV Corporation
Suite 511
1025 Thomas Jefferson Street, N.W.
Washington, D.C. 20007

3. August 29, 1941 - Syracuse, New York

4. Married - Geraldine McDonough

5. Paul Joseph Meagher 20
Patrick John Meagher 16

6. College of William & Mary (1959-1963)
BA granted June 9, 1963

Marshall-Wythe School of Law (1963-1965)
BCL granted June 6, 1965

7. 6/65 - 3/70 - U. S. House of Representatives, Washington, D.C., Legislative Assistant to Rep. Alexander Pirnie (R-NY) (Deceased). Responsibilities included acting as chief legislative advisor to the Congressman, answering all legislative inquiries and preparing testimony used by Congressman before committees. Also, during the Congressman's re-election campaign, I headed the research effort provided liaison with the news media and Republican organizations, and did considerable public speaking in behalf of Republican candidates.

7. (continued)

3/70 - 9/71 - Office of the Secretary, Department of Health, Education and Welfare, Washington, D.C., Special Assistant for Congressional Liaison. In this position, I was the Secretary's contact to 160 members of the House and Senate. As a special assignment I was selected by the White House to be Co-Director of the Administraton's Task Force on the (proposed) Department of Human Resources. I published an article entitled, "Why A Department of Human Resources Is Needed Now," in the educational journal, Phi Delta Kappan.

9/71 - 5/72 - Executive Office of the President, The White House Special Action Office for Drug Abuse Prevention, Washington, D.C. , Director of Congressional Relations. In this senior management and policy position, I was directly involved in the decision-making process relating to the Administration's overall drug abuse policy and was the Administration's chief liaison representative to the Congress on drug abuse matters.

6/71 - 1/81 - Committee on Ways and Means, U. S. House of Representatives, Washington, D.C., Minority Counsel and Staff Director. Assistant Minority Counsel 1972 - 1974. As Chief Republican staff person on the committee, I managed and was solely responsible for a staff of 17 professional and clerical employees which provided the 12 GOP Committee Members with legal, policy, technical and political counsel on economic policy, capital formation; individual, corporate and foreign taxation; foreign trade; energy; social security, welfare, medicare and national health insurance and unemployment compensation. I was also a Congressional Delegate to the Multi-Lateral Trade Negotiations (MTN) in Geneva, Switzerland.

1/81 - Present - The LTV Corporation, Washington, D.C., Vice President - Government Relations. As the LTV Corporate Officer in charge of government relations, I am responsible for directing all of LTV's activities and programs with federal, state, and local governments. With a staff of five, I manage the issues of importance to LTV's three businesses -- steel, aerospace and energy -- and am the company's principal Washington liaison to the Congress, the Executive Branch, and interest groups. Although my responsibility includes all legislative areas impacting on LTV, my own focus is on taxation, trade and anti-trust. Also, I chair LTV's Political Action Committee. In 1983, I founded and became Chairman of the Basic Industries Coalition, Inc. (BIC), a trade association of twenty-five corporations and trade groups concerned about tax, trade and capital formation issues.

8. See answer to #7.

9. Member, Virginia State, District of Columbia, and U. S. Supreme Court Bars. Member of:
University Club of Washington, D.C.
Capitol Hill Club, Washington, D.C.
Belle Haven Country Club, Alexandria, Virginia
Board, Washington Square Condo Association, Alexandria, Virginia
Editorial Board, Business & Health Magazine, published by Washington Business Group on Health
American Bar Association

10. Member - Republican Party
Editorial Coordinator of GOP Platform - 1976

Political Contributions:

5/5/81	Boehlert for Congress	$ 100	R
7/29/82	Boehlert for Congress	$1000	R
9/20/82	Conable for Congress	$ 35	R
3/29/83	Oenida County (NY) GOP	$ 300	R
11/17/83	Bailey for Auditor General (PA)	$ 100	D
5/22/84	Boehlert for Congress	$ 425	R
10/21/86	Boehlert for Congress	$1000	R

11. None

12. "Why A Department of Human Resources Is Needed Now" -
article - September, 1971, Phi Delta Kappan Magazine (attached)

13. I've given no speeches but have presented testimony before both the Committee on Ways & Means and the Senate Finance Committee. If requested, these are available.

14. Prior to joining The LTV Corporation in 1981, I spent 16 years in government service - all of it connected either directly or indirectly with the legislative process. As a legislative assistant, I learned the concerns of individual Congressmen and their staffs. As a Congressional liaison officer in a large department and at the White House, I became aware of the workings of the Executive Branch and the role of liaison with the Congress in policy development and implementation. As Minority Counsel of the Ways and Means Committee, I was intimately involved in the writing of many of the laws under the jurisdiction of the Treasury Department and managed a staff similar in size to the one which works for the Deputy Under Secretary of the Treasury.

My years as a corporate executive of a major U. S. Corporation with responsibility for Washington operations have provided me with a basic understanding and knowledge of the concerns and workings of the private sector. Ultimately, many of these must be dealt with in the Treasury Department.

Finally, I have been and continue to be vitally interested in economic policy issues which are at the core of the Treasury Department's business, and believe I am substantively experienced in them to a degree that qualifies me for this position.

United States
Office of Government Ethics
P O Box 14108
Washington, D C 20044

AUG 31 1987

Honorable Lloyd Bentsen
Chairman
Committee on Finance
United States Senate
Washington, D.C. 20510

Dear Chairman Bentsen:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by John K. Meagher, who has been nominated by President Reagan for the position of Deputy Under Secretary of the Treasury Department.

Mr. Meagher has executed a recusal statement by which he agrees to recuse himself from any particular matter in which LTV Corporation has a financial interest or in which he has a financial interest.

We have reviewed the report and have also obtained advice from the Department of the Treasury concerning any possible conflict in light of the Department's functions and the nominee's proposed duties. Based thereon, we believe that Mr. Meagher is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Donald Campbell

Donald Campbell
Acting Director

Enclosure

CON 132-64
March 1986

The CHAIRMAN. The subject of the hearing this morning is the nomination of Mr. John Meagher to be the Deputy Under Secretary of Legislative Affairs.

Mr. Meagher, I would like to welcome you before the Committee. I would say that Mr. Meagher is no stranger to many of us on the Committee. We have dealt with him in his many other roles here on the Hill in the past, most recently representing the LTV Corporation, which is a major corporation in my own State. I think Mr. Meagher is very well qualified for this new post. He has had more than 15 years of Government experience, most of that in the House of Representatives. We are glad to see you promoted, being over here at the present time.

He served for five years as legislative assistant to Congressman Pirnie. He later served for about 10 years as Minority Counsel and Staff Director of the Ways and Means Committee.

Mr. Meagher, I congratulate you on your appointment. And I would defer to my colleague, the ranking member, for any comment he might have.

Senator PACKWOOD. Mr. Chairman, I am delighted to have him because he is one of the few people that comes here that has actually been on the Hill longer than I have and it makes me feel young. [Laughter.]

The CHAIRMAN. I don't believe I will speak to that. [Laughter]

Senator PACKWOOD. You make me feel very, very young, Mr. Chairman. [Laughter.]

The CHAIRMAN. When I start talking about my first service up here, my kids say, Dad, that's back when the Earth's crust was just cooling, wasn't it?

Mr. Meagher, I am sure you have a statement you would like to make that I would like to hear.

STATEMENT OF MR. JOHN K. MEAGHER TO BE DEPUTY UNDER SECRETARY OF THE TREASURY (LEGISLATIVE AFFAIRS)

Mr. Chairman, Members of the Committee; I am delighted to be here today to have you consider my nomination to be Deputy Under Secretary of the Treasury Department.

I want to express my gratitude to you, Mr. Chairman, for expediting this hearing at a very busy time and wish to thank both staffs, particularly Mr. Wilkins, for their cooperation and effort.

This is a proud moment for me. The idea of returning to government service in this position is at once flattering and exciting. To have been chosen by President Reagan and Secretary Baker for this assignment is a great honor which I will always value. Confirmation by the Senate will be equally satisfying.

I come here not as a stranger but as someone who grew up in the legislative branch, and during the 13 years I spent on the Hill, I learned that two things above all are critical: honesty and fairness. I come to you pledged to always honor those two notions and am anxious to answer any questions you may have.

The CHAIRMAN. Mr. Meagher, you have a reputation for integrity and ability. It seems to me one of the problems you will be facing is your former association with LTV. They are a substantial corpora-

tion with some major problems. And they have some problems concerning pension policy, taxes, and trade policy.

How do you anticipate handling that kind of a situation in your role?

Mr. MEAGHER. Well, before I was nominated, or I guess right after I was nominated, I signed a statement that has been made available to the Committee and the staff. It states that I will not work on any matter that directly or indirectly will affect the LTV Corporation. I suppose that the question is, what is indirectly? I think that we have reached an understanding about—at least I have with the Staff—as to what those areas would be. I don't think that, for example, I could get involved in anything related to pension policy having to do with the LTV Corporation, or even with the steel industry, in particular, because that would necessarily involve the LTV Corporation.

Senator PACKWOOD. Mr. Chairman, I cannot think of a luckier excuse to be able to get out from under a problem. [Laughter.]

Mr. MEAGHER. You said it, Senator Packwood. I didn't.

But in fairness, that is what the law is as well as the practice. I raised this subject myself with the Staff in our interviews because I felt it was an important thing to have clarified. I don't want any question about that—I will not work on anything that is involved with the LTV Corporation, not only as a matter of law but as a matter of practice, because I think that that is the only fair way I can do my job and to satisfy those concerns that not only you raised but could be raised by others.

The CHAIRMAN. Do you have any arrangements to go back to LTV?

Mr. MEAGHER. Absolutely not. I will have no connection with the LTV Corporation. I will sever all connections once I have an opportunity to take this position.

The CHAIRMAN. How does your wife, Geri, feel about this?

[Mrs. Meagher displays a thumbs up.]

The CHAIRMAN. That is important. I have no further questions.

Senator PACKWOOD. Have you given any advice, or if you were to give the President advice, what would you suggest that he do about signing your veto in the debt ceiling with Gramm-Rudman-Hollings appended to it?

Mr. MEAGHER. I thought somebody might ask me that, Senator. And I read the paper this morning, and I see a picture of my prospective boss, with the caption "Urges President to sign bill."

It seems to me—and I don't know a great deal about this—but it seems to me that this is a method by which Congress and the President can get together or try to get together on dealing with the budget question. It is a chance.

Senator PACKWOOD. Only if he signs it.

Mr. MEAGHER. If he signs it.

I guess I have been in this business long enough to believe that you need to have a chance to do things. I cannot second-guess whether or not there will be sequestration of *X* number of dollars in the Defense budget or an increase in whatever people are calling, raising taxes today, revenue enhancement, or fine tuning, or whatever.

But it does reinstate a trigger which, in my own view, is important. It deals with the debt limit and gets that out of the realm of controversy for an extended period of time.

I know when I was at Ways and Means it seems to me that the debt limit more than anything else and it was a constant irritant, if you will.

It also seems to me that it provides for the continuation of the effort that everybody shares to get deficit reduction. I suppose there are arguments on the other side. I have read them. But I think that if I were urging the President, I would advocate that on those bases that he sign it.

Senator PACKWOOD. Mr. Chairman, I think we ought to confirm him, get him to the floor and down to the White House this afternoon. [Laughter.]

The CHAIRMAN. Do you have any further questions?

Senator PACKWOOD. No.

The CHAIRMAN. Mr. Meagher, of course, this is just a hearing today and we have to have a quorum, obviously, to vote a confirmation.

Mr. MEAGHER. Yes, sir.

The CHAIRMAN. And I anticipate we will be having another meeting in this committee on Wednesday and, hopefully, we will be able to bring up your nomination at that time and see some action taken. We are very pleased to have you.

Mr. MEAGHER. Thank you.

Senator PACKWOOD. Let me just add one thing.

The CHAIRMAN. Yes.

Senator PACKWOOD. I am delighted you are here. And in the particular position that you are in, I am glad to have somebody that has your knowledge and background of both this Committee and Ways and Means. And I don't think the Administration could have found, had they hired the best executive search talent company in the country, anybody that better fits the position and the qualifications than you.

Mr. MEAGHER. Thank you very much, Senator.

The CHAIRMAN. Well, I share that. I would also say when you are talking about a short-term period like this, you have to have somebody that can get the Gramm-Rudman process running and does not have to be educated into the job. So we are pleased to have you, John.

Mr. MEAGHER. Thank you very much.

The CHAIRMAN. Now with that, we stand adjourned.

Mr. MEAGHER. Thanks a lot.

[Whereupon, at 10:15 a.m., the hearing was concluded.]

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